



STATE BOARD OF EQUALIZATION
POLICY PLANNING AND STANDARDS DIVISION
450 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064)
TELEPHONE (916) 445-4982
FAX (916) 323-8765

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

CLAUDE PARRISH
Third District, Torrance

JOHN CHIANG
Fourth District, Los Angeles

KATHLEEN CONNELL
Controller, Sacramento

E. L. SORENSEN, JR.
Executive Director

No.99/39

August 11, 1999

TO COUNTY ASSESSORS:

STATE APPEALS COURT UPHOLDS RULE 152

In 1996, the Board amended Rule 152, Computer Program Storage Media, in order to clarify the term "basic operational program" used in sections 995 and 995.2 of the Revenue and Taxation Code. On July 28, 1999, the Second District Court of Appeal filed their opinion in the case of *Hahn, et al. v. State Board of Equalization; International Business Machines Corporation, Real Party in Interest* (B121612). Their opinion affirmed the trial court's judgment that upheld the 1996 amendments to Rule 152.

A copy of the opinion, which was certified for publication, is enclosed.

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:LF:cg
Enclosures